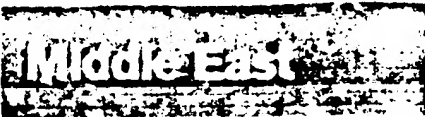


~~TOP SECRET~~



## EGYPT-LIBYA

After several days of fighting, during which Egyptian military forces scored several victories against Libyan units, Egyptian President Sadat announced a unilateral cease-fire on July 25. Libyan President Qadhafi has not formally responded to the announcement, and negotiations on a permanent truce appear to be stalemated. A developing dispute over the legal boundary between the two countries is complicating the negotiations. The two sides are observing a de facto truce, however, and are pulling back their forces in accordance with an unpublicized disengagement agreement.

The Egyptians clearly were victors in the fighting that has occurred. On July 21, the heaviest day of the fighting, they drove back a Libyan attack and destroyed 20 to 30 tanks. The next day, the Egyptians scored another victory over Libyan armored units, destroying as many as 15 tanks near Sidi Omar. They also launched two heliborne raids against Libyan installations near Jaghub. Cairo withdrew its combat forces from Libyan territory by the early morning hours of July 25, and as of July 28 no further fighting was reported.

The Egyptian and Libyan air forces both bombed targets near the border, and the Egyptians attacked Libyan airfields near Tobruk and at Kufrah in southern Libya.

Both sides have sent reinforcements to the area near the border, and each clearly anticipates that the fighting may be renewed.

The Libyans meanwhile have continued to mobilize

reservists—perhaps as many as 7,000—and have continued to churn out bellicose propaganda.

### The Mood in Egypt

Egyptian President Sadat has justified Egyptian military actions as a necessary riposte to numerous Libyan transgressions and Qadhafi's repeated attempts to subvert the Egyptian government.

The government, however, apparently has not been able to convince the public that Egypt has right on its side.

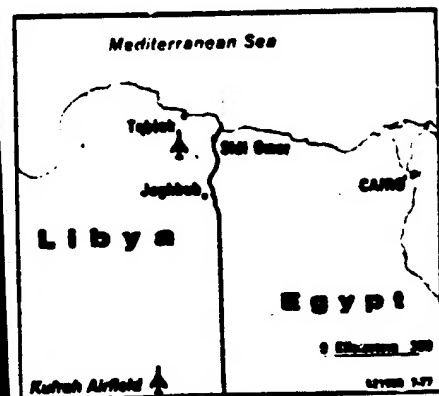
The Egyptians are clearly prepared to take further military action, but a decision to do so will have to take into account Egyptian public opinion, the reaction of the principal Arab states, the mediation efforts by various parties, and the likelihood that Egyptian actions will only strengthen Qadhafi.

Qadhafi may not be able to keep his people from knowing the extent of Libyan losses for very long, and the current enthusiasm in Libya may dampen considerably as news of casualty figures spreads. For the time being, however, Qadhafi believes he has international sympathy on his side and that he can win the political war, if not the military battles.

### Mediation Efforts

Algeria, Kuwait, and Palestinian leader Arafat have all played a role in mediating the dispute, and several Arab and African states have called for emergency meetings of the Arab League and the Organization of African Unity. The general attitude among the Arab states is one of disappointment and concern over yet another split in Arab ranks that diverts resources and attention from the primary struggle with Israel.

Soviet commentary on the conflict has been cautious and sparse. The Soviets have supported Libya far less since fighting broke out than they did on two occasions during the past year when the threat of hostilities existed, strongly suggesting that Moscow does not want to antagonize the Egyptians. The Soviets presumably realize they cannot play a meaningful role in any Middle East settlement discussions as long as their relations with Egypt are in disarray.



~~TOP SECRET~~